



RE NEWS



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FEATURE

"Unlocking Brownfields" Report Lists Wisconsin Among Top Six Nationally For Brownfields Programs

The National Association of Local Government Environmental Professionals (NALGEP) and the Northeast-Midwest Institute have released a report entitled "Unlocking Brownfields: Keys to Community Revitalization."

This report represents a decade of research and experience focused on brownfields reuse. It includes more than 50 profiles of successful brownfields projects and programs, five critical brownfields messages that docu-



ment the evolution of brownfields success in America, and the "10 Keys to Brownfields Revitalization."

Wisconsin is listed as one of the top six states nationally with "effective state brownfield programs," and highlights three key brownfields projects in the Wisconsin communities of Baraboo, Kenosha and Milwaukee.

The report is available on the NALGEP web site <http://www.nalgep.org/default.cfm>.

Department Of Justice Files Suit For Lake Superior Contamination

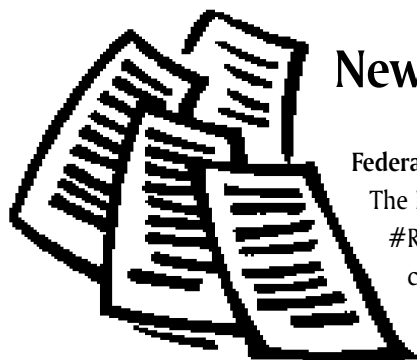
In November the Department of Justice (DOJ) filed a lawsuit against Northern States Power Company of Wisconsin (also known as Excel Energy) to recover approximately \$1.4 million that DNR has spent investigating hazardous substance contamination in Lake Superior and on the lakefront adjacent to NSP's Ashland property.

The company's predecessors owned and operated a manufactured gas plant on the property for about 60 years, starting in the 1880s. As a result, soil, groundwater, and parts of Lake Superior adjacent to the property are contaminated with coal tar, oils, solvents and other hazardous substances.



Samples are taken of contaminated sediment at the Ashland/NSP Lakefront Site in the winter of 2001 (DNR file photo).

Officials with Northern States Power signed an Administrative Order of Consent with EPA in 2003 and agreed to investigate the contamination. Prior to 2003, however, much of the investigative work was conducted by DNR, which incurred costs of more than \$1.4 million before NSP agreed to continue the site work. For more information, please see the DOJ press release at http://www.doj.state.wi.us/news/nr101904_ENV.asp.



New, Revised Publications

Federal Tax Incentive Fact Sheet Revised

The RR Program has updated its *Federal Brownfields Tax Incentive* fact sheet (publication #RR-592). The tax incentive, which allows taxpayers to claim environmental remediation costs as deductions in the year incurred, was recently extended by Congress (please see "Federal Brownfields Tax Incentive Extended Two Years," page 3, for more information).

Contaminated Lands Fact Sheets Combined

Previous publications #RR-644 – *Lists of Waste Sites and Contaminated Sites* – and #RR-673 – *On-Line Information About Contaminated Properties in Wisconsin* – have been combined into a new publication entitled *Finding Contaminated Properties in Wisconsin: On-Line and Print Resources* (publication #RR-673).

This document explains how to locate information about contaminated properties via the RR Program's on-line database, *BRRTS on the Web*, and also includes information about the RR Program's GIS Registry of Closed Remediation Sites. This publication is available at <http://dnr.wi.gov/org/aw/rr/archives/pubs/RR673.pdf>.

Other Publications

In addition, the RR Program has revised Fact Sheet #2, *Voluntary Party Remediation and Exemption From Liability* (publication #RR-506), which is available at the following link: <http://dnr.wi.gov/org/aw/rr/archives/pubs/RR506.pdf>, and the publication entitled *Environmental Contamination – The Basics* (publication #RR-6764), which is available at <http://dnr.wi.gov/org/aw/rr/archives/poubs/RR674.pdf>.

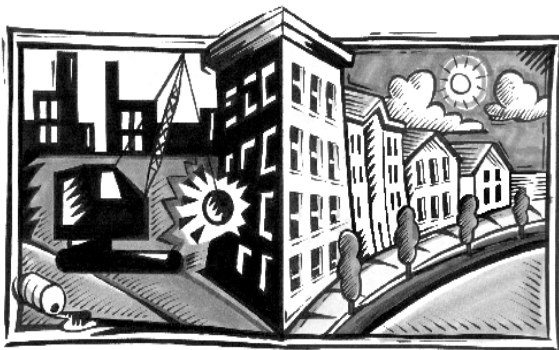


DNR Forms Brownfields Partnerships With Milwaukee Groups

The DNR, the Redevelopment Authority of the City of Milwaukee and the 30th Street Industrial Corridor Coalition have formed a partnership to assist with redevelopment in one of the state's most economically and environmentally distressed areas, Milwaukee's 30th Street industrial corridor.

This corridor, centered along 30th Street from Highland Avenue to north of Capitol Drive, is home to 32,000 people, and more than 40 percent of that population lives below the poverty level. The partners plan to submit two \$200,000 brownfield sites assessment grant applications to EPA for the area – one for petroleum contamination and one for hazardous substances.

If funded, the initiative will enable environmental investigation at some of the area's many tax delinquent and vacant properties, clearing the way for cleanup and redevelopment activities. For more information about the coalition, please contact Percy Mather at 608-266-9263, or percy.mather@dnr.state.wi.us.



Federal Brownfields Tax Incentive Extended Two Years

The U.S. Congress extended a federal tax incentive to encourage the cleanup of commercial and industrial brownfields for two more years through December 31, 2005. The change was part of the Working Families Tax Relief Act of 2004 (PL108-311) that became law on October 4.

The incentive allows a taxpayer to claim environmental remediation costs as deductions in the year incurred, rather than spreading the claims over several years. Eligible taxpayers in Wisconsin have led the nation in utilizing this federal tax incentive for cleanup costs at 23 separate sites since 1998, when it first became available.

The two-year extension is good news for owners of business or commercial property who clean up hazardous substances (non-petroleum contamination) under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). This definition excludes petroleum products or parts of a building, such as lead paint or asbestos.

Deductible expenses include site assessment, investigation and monitoring, remediation, operation and maintenance of remedial systems, voluntary party liability exemption (VPLE) fees, and costs incurred for the removal of demolition debris as part of remediation.

A qualified tax advisor can provide more information on specific, eligible costs. To utilize the deduction, a taxpayer must obtain a statement from the DNR that the property meets the requirements for release, threatened release or disposal of hazardous substances on the property. The one-page request form is available on the RR web site at <http://dnr.wi.gov/org/aw/rr/archives/pubs/4400-206.pdf>. For more information, please see the RR web site at http://dnr.wi.gov/org/aw/rr/financial/fed_tax.html, or contact Percy Mather at 608-266-9263, or percy.mather@dnr.state.wi.us (also, please see "New, Revised Publications" on page 2 for information about the RR Program's fact sheet on this tax incentive).



SUCCESS STORIES

From Tanning to Banking

As a founding business in Wisconsin, the Fred Rueping Leather Company began tannery operations in Fond du Lac, Wisconsin, in 1854, only six years after Wisconsin became a state. In its early years the company used a vegetable tanning process to tan hides into leather. Vegetable tanning consists of soaking clean hides or skins in an acid solution prepared from the bark, roots, leaves, or nutshells of plants that are rich in tannic acid.

In later years the tanning method of choice was chemical tanning, which used inorganic substances such as aluminum salts, ferric salts, chromium sulphate, and chromic oxides. Such chemical processes are necessary for the tanning process, but these methods lead to soil and groundwater contamination as they did at the Rueping Leather Company.



Former Fred Rueping Leather Company (DNR File Photo).

After 131 years in business, the company closed its doors in August of 1985 and filed for bankruptcy. However, due to the bankruptcy there was little investigative or remediation activity done at the 5.2-acre site. In 1986 the DNR conducted a thorough inventory of waste materials stored on site. The inventory prompted agency staff to request that EPA's Region 5 Superfund Emergency Response Unit assess the hazardous waste situation and initiate a removal action under the provisions in the Comprehensive Environmental Response Compensation and Liability Act (CERCLA).

EPA Emergency Response Unit Steps In

In 1987, EPA conducted a removal and disposed of more than 30,000 gallons of waste from the site, including acids, PCBs, ethers, pigments, batteries and leather finishes. After the removal, the property was later divided into two parcels, a northern (3.1 acres) and a southern (1.9 acres) parcel. Fond du Lac County took title to both parcels, which had been tax delinquent since 1984, and proceeded to deed them to the city of Fond du Lac.

In 1991, with the support of taxpayers, city officials spent more than \$1.5 million dollars to raze the building complex with the hopes of returning the northern portion of the property to productive use. In addition, petroleum contamination from an underground storage tank was discovered in 1991 and further non-petroleum contamination was discovered in 1995. Soil contaminants of concern at the site included phenanthrene, benzo(a)anthracene, chrysene, benzo(b)fluoranthene, benzo(a)pyrene, indeno(1,2,3-cd)pyrene, dibenz(a,h)anthracene, and benzo(g,h,i)perylene. Groundwater contaminants of concern included benzene, bis(2-ethyl-hexyl)phthalate, metals and arsenic.



A new transit stop (foreground) compliments the new Marine Credit Union built on the former Reuping Leather Company property (photo by Michelle Stokes, DNR).

DNR Staff Guide The Project To Completion

In 1997 and 1998, the DNR, in cooperation with city officials, conducted Phase I and Phase II Environmental Site Assessments (ESA) at the property to further define the areas of contamination. This was done as part of the agency's Brownfield Environmental Assessment Program (BEAP). Through the BEAP, DNR Hydrogeologist and Site Project Manager Al Nass worked closely with the city to assess the site and determine the degree and extent of contamination.

After the degree and extent of contamination were determined and remediation plans were addressed, the northern parcel was ready for redevelopment. Marine Credit Union purchased the northwest corner of the northern parcel in 2003 and broke ground for the credit union in June 2003. In 2004, Marine Credit Union purchased the remaining portion of the northern property, with the exception of a small area the city used to build a new transit stop.

Nass worked with developers to utilize the credit union's parking lot and building footprint as a remedial cap, preventing direct contact with remaining soils that contained residual arsenic and metal contamination. A 1.5 to 2.5-foot soil cap was placed over the remainder of the site.

Today, what was once a defunct tannery with practically no value is now a productive 8,000-square foot credit union redevelopment valued at more than \$1.2 million. Remediation and redevelopment at this site resulted not only in a substantial increase in property value and tax flow, but also created sixteen jobs and a new transit stop. This redevelopment is a true asset to Fond du Lac and its residents!



Marine Credit Union, completed in 2004 (photo by Michelle Stokes, DNR).

Wisconsin Brownfields Coalition Update – State Works On Details Of \$4 Million Revolving Loan Fund



In June, the Wisconsin Brownfields Coalition (WBC) received a \$4 million U. S. Environmental Protection Agency (EPA) grant. The coalition, led by the DNR, in partnership with the departments of Commerce and Administration and Wisconsin's nine Regional Planning Commissions, will use the grant to create a revolving loan fund to clean up brownfields. Brownfields are abandoned or underused commercial or industrial properties, where real or perceived contamination may hinder reuse of those properties.

Work on the program began in November following the signing of the cooperative agreement between the state of Wisconsin and EPA. The DNR will administer the WBC's program, and will provide \$1 million for cleanup of petroleum contamination and \$3 million for cleanup of sites with hazardous substances or co-mingled contamination. The funding will provide loans and grants to local governmental units and tribes to clean up contamination at brownfields properties that meet the eligibility requirements.

Revolving Loan Fund

The revolving loan fund will pay for remediation expenses only. Ineligible grant activities include Phase I and II site assessments, NR 716 investigations, long-term groundwater monitoring, and demolition (other than demolition which is required as part of remedial actions). In addition, at sites with petroleum contamination, only those expenses that are not reimbursable by the Petroleum Environmental Cleanup Fund Award (PECFA) program will be covered by the revolving loan fund.

Most of the funding will be offered as no-interest loans. The repayment period will start five years after the loan agreement is signed. The repayment period will end after 23 years, which allows the creation of an environmental remediation tax incremental finance district (ER TIF) as a repayment option – ERTIFs in Wisconsin are allowed to exist for 23 years. The loan repayments will replenish the brownfields revolving fund and allow additional loans for the future cleanup of other properties.

One of the conditions in EPA's grant to the WBC is a commitment to provide a match of 20 percent of the grant amount, or a total of \$800,000 for the \$4 million. The match will be provided by loan recipients and can be cash or in-kind services for any eligible program expense.

Applications

The highest priority applications will be for properties where revolving loan or grant funds will be used for: greenspace or other public use projects; projects in economically distressed neighborhoods or communities; brownfields projects along waterfronts that result in economic benefits, ecosystem protections, access to recreational areas or a combination of these; a balance of rural and urban projects located across the state; and/or projects that promote sustainable development practices and smart growth principles.

Before DNR can make any loan or grant awards, each property must meet federal eligibility requirements – details on property eligibility will be based on due diligence practices in use at the time of purchase. Each property must also meet other federal requirements, including (but not limited to) procurement of services, disadvantaged business enterprises, prevailing wage rate (i.e. Davis-Bacon Act) and community involvement. The DNR will work with communities and tribes to determine whether or not the sites meet federal eligibility requirements.

The maximum amount for a grant is \$200,000 per eligible site. For grants, there are federal ownership requirements that must be met by the grant recipient. For both loans and clean-up grants, the recipient will need to demonstrate that the site owner and applicant have no liability under s. 107 of CERCLA (or Superfund). Please see EPA's web link at <http://www.epa.gov/brownfields/liab.htm#liabiss>. This information may impact the type of actions taken and information that is gathered prior to and after purchase of a property.

For More Information

For more details on the coalition's brownfields revolving loan fund and grants, please see the "Ready for Reuse Initiative" at <http://dnr.wi.gov/org/aw/r/rbrownfields/index.htm>; or contact Percy Mather at 608-266-9263, or percy.mather@dnr.state.wi.us. For EPA's full list of successful applicants, please see http://www.epa.gov/brownfields/04grants/fy04_master.pdf (also, please see "Wisconsin Brownfields Coalition, Seven Communities Receive \$10 million in EPA Brownfield Grants," page 8, *Re News*, September 2004).

An Insider's Look At The RR Web Site – Financial Information

As a continuing effort to help our customers better utilize the RR Program web pages, we are presenting the second “Insiders Look” at the RR Web Site article. The first in the June, 2004, issue of *Re News* detailed our general program information such as What's New, E-Calendar, and list-serv pages. In this issue we will delve into the financial information that can be found on our web site.

Financial Overview – <http://dnr.wi.gov/org/aw/rr/financial/index.htm>

This page is the starting point to connect those interested in cleaning up or redeveloping properties with information about state and federal financial resources. The web pages under “Financial Overview” are our financial “framework” pages, with links to more detailed information. Three separate web pages exist to help your search:

- **Grants and Reimbursement Programs** – this page lists links to web pages for both federal and state programs; programs include the Dry Cleaner Reimbursement Fund (DERF), Site Assessment Grants (SAG), Wisconsin Coastal Management Grants, federal brownfields grants and many more: http://dnr.wi.gov/org/aw/rr/financial/grants_reimbursements.html;
- **Loans & Loan Guarantee Programs** – this page provides links to both federal and state loans and loan guarantee programs; programs include the Land Recycling Loan Program, Industrial Revenue Bonds, Revolving Loan Fund, and Section 108 Loan Guarantees: <http://www.dnr.state.wi.us/org/aw/rr/financial/loans.html>; and
- **Tax Credits & Incentives** – this page provides links to DNR, Commerce and Revenue departments’ tax programs; programs include Cancellation or Assignment of Delinquent Taxes, Tax Incremental Financing, Community Development Zones and many more: http://dnr.wi.gov/org/aw/rr/financial/taxcredits_incentives.html.

Financial Tools for Cleanup and Redevelopment – http://dnr.wi.gov/org/aw/rr/financial/financial_tools.htm

This page is a “one-stop” shop for financial resources. It provides the type of financial assistance a grant or reimbursement program offers for investigation and cleanup of environmental contamination and redevelopment of contaminated properties, and then provides a link to more information about each.

Additional Programs and Resources – <http://dnr.wi.gov/org/aw/rr/financial/additional.html>

This is an additional page of resources that includes links to databases, the Northeast-Midwest Institute, U.S. Department of Housing and Urban Development, and other resource guides.

Please remember these pages are just a few of the web resources available to you. We will continue to do our best to provide you with the most current information. If you have any comments or suggestions for improving our web site, please contact the RR Program's web publisher, Megan Clemens, at 608-261-4391, or megan.clemens@dnr.state.wi.us.

Staff Updates

RR Program Staff Named Employees Of The Year

Kathy Erdmann, a hydrogeologist with the RR Program’s Northeast Region office, and Bill Schultz, an engineer with the RR Program’s Northern Region office, were named Air & Waste Division Employees of the Year for their respective regions. Kathy spent nearly 20 years with the DNR, including the last 12 with the RR Program. Bill has been with the agency since 1994, including the last seven years with the RR Program. Both individuals have made significant contributions to the RR Program and to the protection and enhancement of Wisconsin’s natural resources – congratulations Kathy and Bill!

Northeast Region

Bethany Hemstreet is the new Brownfields Outreach Limited Term Employee (LTE), replacing Michelle Stokes, who accepted a position within the private sector. Bethany is a recent graduate of UW-Green Bay. Welcome Bethany!

Amy Callis is the new Superfund Site Inventory LTE for the Northeast Region’s Green Bay office. Amy comes to the RR Program from the DNR’s Drinking and Groundwater Program. Welcome Amy!

Casey Jones is the new Superfund Site Inventory LTE for the Northeast Region’s Oshkosh office. Casey comes to the RR Program from the Wisconsin Department of Transportation. Welcome Casey!

Southcentral Region

Tamara Jackson is the new Brownfields Outreach LTE for the Southcentral Region, replacing Eric Michaels, who accepted a graduate student position in the state of Washington. Tami comes to the RR Program from the River Alliance of Wisconsin, and she previously worked for the DNR in the Community Financial Assistance Program. Welcome Tami!

Northern Region

Danielle Winckensten is the new Brownfields Outreach LTE for the Northern Region, replacing Regina Hasken, who accepted a position in local government. Danielle also works as a program assistant with the RR Program, a position she has held for six years.

RENEWMS

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For More Information: *Re News* is published quarterly by the Wisconsin Department of Natural Resources Bureau for Remediation and Redevelopment.

This newsletter is available in alternate format upon request. Please call 608-267-3543.

Our Web Site Is : <http://www.dnr.state.wi.us/org/aw/rr>

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The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services and functions under an Affirmative Action Plan.

This newsletter may contain summary information about certain state statutes and/or rules and does not include all of the details found in the statutes/rules. Readers should consult the actual language of the statutes/rules to answer specific questions.

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